

Message from the CSO

In FY2024, the final year of our Mid-Term Management Plan, Reborn 2024, we will strengthen our business foundation to restore profitability and advance preparations for a growth stage during our upcoming mid-term management plan.

Hiroyuki Tanaka

Senior Executive Officer, Chief Strategy Officer (CSO) Division Head of Chocolate Business Division, Chairman of HARALD INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA



Strengthening our business foundation

In a business environment that has increasingly lacked certainty since 2020 due to factors such as COVID-19 and the situation in Ukraine, we have promoted initiatives aimed at addressing the need to increase the ability of individual operating companies to make rapid business management decisions while also strengthening business management by the holding company. As CSO, I am taking a business-axis management approach to ascertaining the business environments of each operating company and cooperating with each area and operating company to restore basic profitability. We will achieve this by strengthening risk management for supply chains related to raw material procurement and supporting the implementation of business policy. We will also advance the appropriate allocation of management resources to each business, prioritizing the distribution of management resources to Vegetable Oils and Fats and Industrial Chocolate, which we position as growth domains. For Vegetable Oils and Fats, we are responding to increasing

demand for certified oils, which has grown in recent years, particularly in Europe, by aggressively strengthening our supply structure for sustainable, certified oils in Southeast Asia. For Industrial Chocolate, the launch of the No. 2 plant at Harald (Brazil) will enable us to respond to increasing chocolate demand in Brazil and provide high-value-added products that incorporate the Group's technology and expertise. We will also seek to pioneer new markets by injecting new products. During the current Mid-Term Management Plan, Reborn 2024, Blommer, our North American chocolate business, saw the manifestation of management issues attributable to significant changes in the market environment. To make fundamental reforms to address these management issues, in March 2024 we formulated and announced a structural reform plan. While implementing these response measures, we will work to further strengthen the business foundation and improve profitability. Through these efforts, we will strive for Group growth as we head towards 2030.

Business strategy incorporating our competitive advantages

Since our founding, the Fuji Oil Group has worked to recognize and resolve customer issues, by further tapping into the potential of our Group's technology. Through this approach, we have expanded our Vegetable Oils and Fats, Industrial Chocolate, Emulsification and Fermentation Ingredients, and Soy-based Ingredients businesses. We believe that our Group's competitive advantage lies in our ability to resolve problems, not only through the unique technologies of each business, but also through a fusion of the technologies possessed by these businesses. To achieve value provision based on deliciousness and health with the goal of promoting consumer well-being, we pursue a fusion of technology that goes beyond the boundaries of each business. We strive to create high-value-added products in what we call new business domains.

At the same time, to contribute to the realization of a sustainable society, we strive to resolve social issues,

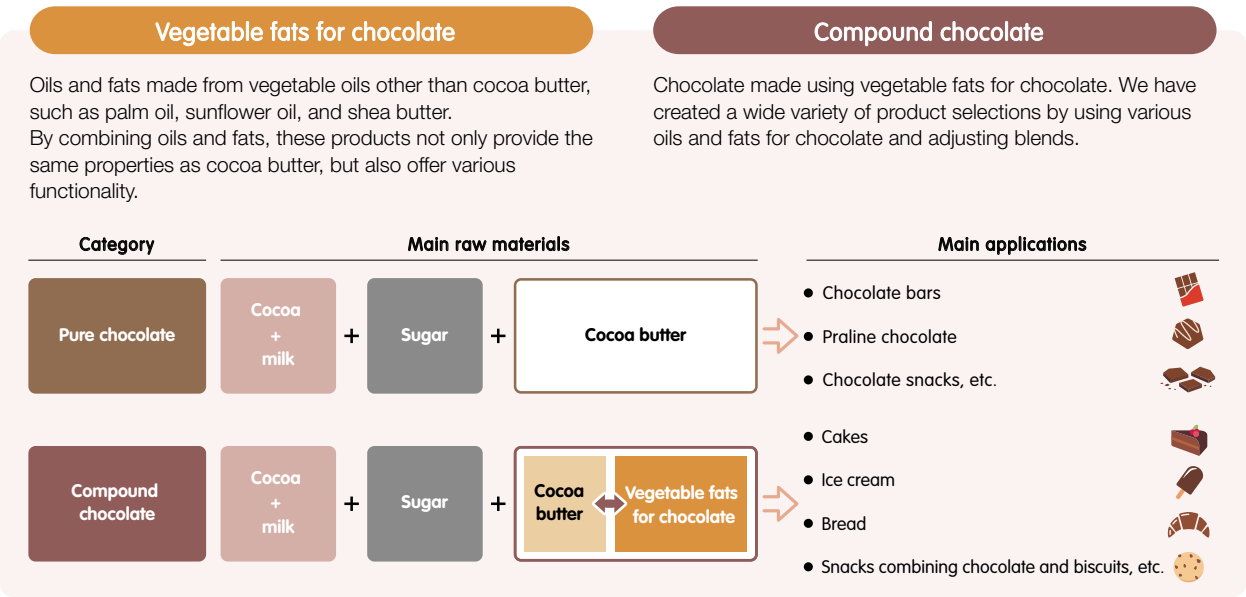
including environmental and human rights issues along our supply chain, through our business activities by building trust-based relations with suppliers and stakeholders who share our respect for the environment and human rights. In addition to promoting initiatives aimed at increasing engagement, we are also promoting the sustainable procurement of key raw materials, which we view as one of our competitive advantages. We are working to strengthen our sustainable raw material supply chain. In January 2024, we established a joint venture with Johor Plantations Group Berhad, a Malaysian palm oil and palm kernel oil manufacturer, to manufacture and sell high-value-added oil and fat products made from sustainable palm oil. Moving forward, we will generate profits by steadily promoting business strategy that leverages these competitive advantages.

Business Strategy

Growth Businesses

Growth opportunities for vegetable fats for chocolate and compound chocolate

At the time of its founding, the Fuji Oil Group began with the processing of tropical oils such as palm and coconut oil before succeeding in developing a vegetable oil for chocolate (CBE). Centered on tropical oils, the Group pursued innovation in technology for the advanced utilization of various oils and fats. In the Industrial Chocolate business, one of the Group's strengths is in compound chocolate, a functional and high-value-added product that is supported by the technical innovation the Group has achieved in vegetable fats for chocolate over the years. As a result, the Fuji Oil Group boasts a top share of global markets. Fluctuations in raw material prices due to climate change and the supply and demand balance are challenges that many food companies are facing, and that will also impact our Group's business. We will secure a competitive advantage by creating distinctive products that combine the oil and fat technology and chocolate manufacturing technology we have cultivated over the years as well as procuring raw materials through the Group's supply chain. We will then link those efforts to growth opportunities for chocolate oil and fat and compound chocolate.



Strengthening supply structure for vegetable fats for chocolate

Our Group boasts a Top 3 global share for vegetable fats for chocolate, and we have strengths in our ability to supply products based on multiple manufacturing methods and raw materials, costs, and stable supply. In addition to palm oil and sunflower oil as vegetable fats for chocolate, we are also expanding and improving our supply structure centered on existing fat and oil production bases in North America, Japan, and Southeast Asia. This will enable us to meet the increasing demand for shea butter, which is used as a raw material for chocolate. We are also diversifying the raw materials we use as vegetable fats for chocolate. In October 2023, Fuji Oil Ghana expanded its shea butter production capacity and expanded its production system for vegetable fats for chocolate. We will work to strengthen the Group's supply structure for vegetable fats for chocolate, a segment that is expected to see increased demand in the future.

Compound chocolate for high-value-added products

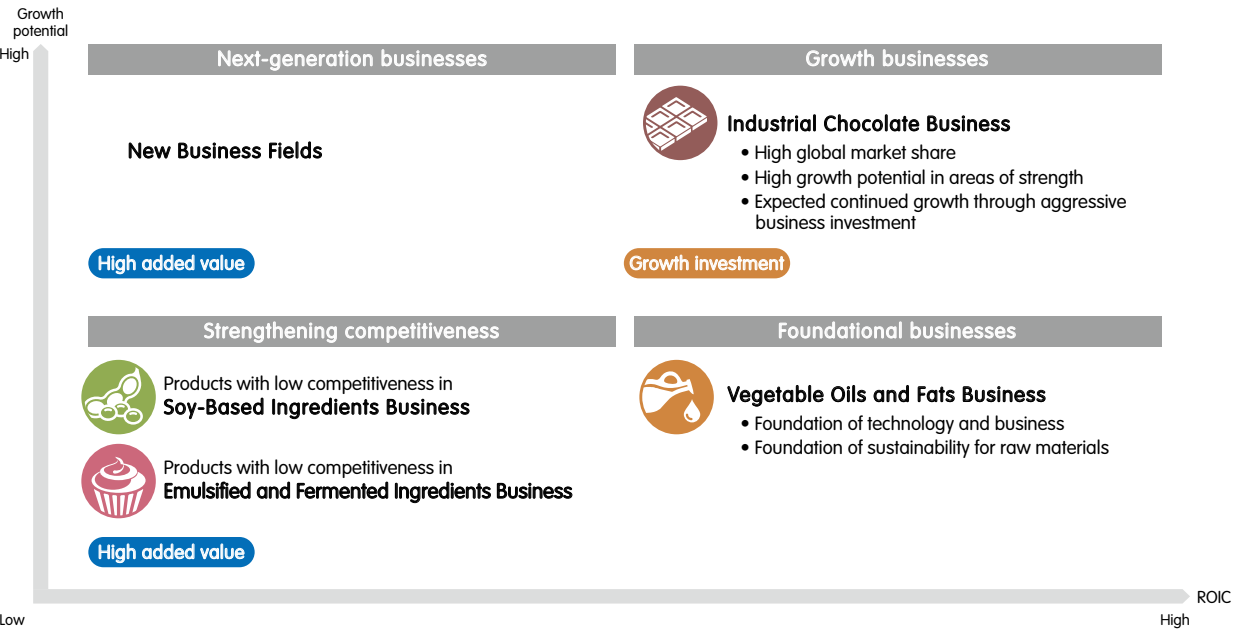
We are leveraging business synergy generated through a fusion of technology related to vegetable fats for chocolate and our chocolate manufacturing technology. Our strength is in high-quality compound chocolate that has the deliciousness that consumers desire. We can provide our customers with products offering ease of use, including workability during product manufacturing processes, heat resistance for distribution processes, and characteristics such as a smooth melt-in-the-mouth texture and rich flavor. We also utilize application technology developed in Japan, including for compound chocolate confections and bakery goods, to offer proposals that meet customer and market needs in each country. Through these activities, we will further strengthen our development of high-value-added products.

Business Strategy

Business Portfolio Management

The Fuji Oil Group is engaged in the Vegetable Oils and Fats, Industrial Chocolate, Emulsification and Fermentation Ingredients, and Soy-based Ingredients businesses. We create products based on the oil and fat, chocolate manufacturing, emulsification and fermentation, and protein processing technologies unique to each business that we have cultivated over our long history. Additionally, we transcend the boundaries of each business by integrating various technologies. We aim to create problem-resolving products that meet market needs and provide high added value.

At the same time, we will also pursue appropriate business portfolio management for each business by assessing products for their marketability and competitive advantage in each region.



Co-creation with ITOCHU

More than ever before, we will pursue co-creation with ITOCHU, a major shareholder of the Fuji Oil Group, by mutually leveraging the strengths of both companies, promoting growth strategies for existing businesses, strengthening business management capabilities, and promoting initiatives for new businesses.

Main business-specific initiatives

Vegetable Oils and Fats: Strengthen raw material procurement, build a logistics system, hire management personnel for the North American oils and fats business, etc.

Industrial Chocolate: Strengthen procurement of raw materials, hire specialists and management personnel for Blommer, etc.

New business expansion: Collaborations in the logistics field related to the development of plant-based food products

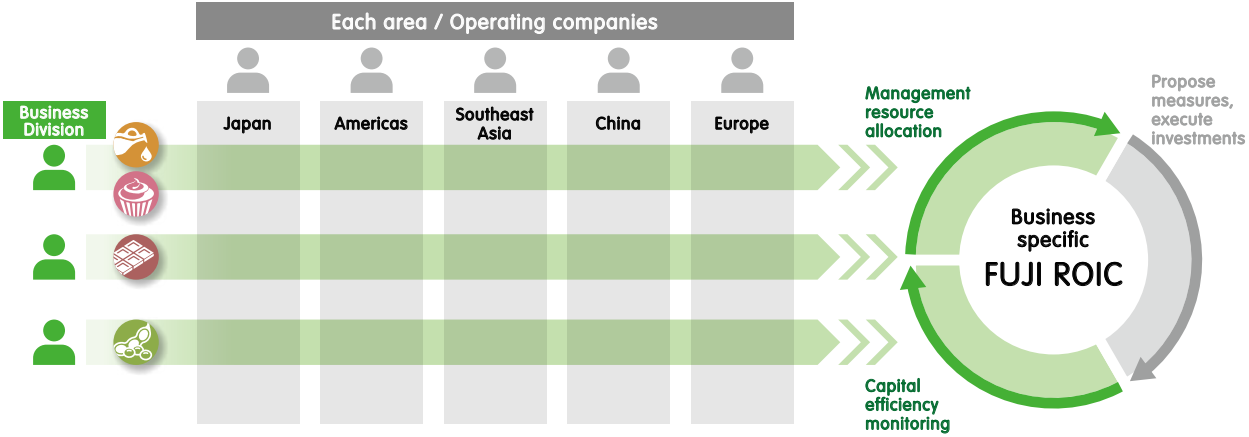
Initiatives related to strengthening business management

Dispatch human resources involved in financial accounting, IT security improvement, and public relations functions to ITOCHU to benefit from know-how in areas such as human resource development, global management, and Group governance.

Furthermore, initiatives conducted with ITOCHU are in accordance with policies concerning the protection of minority shareholder rights.

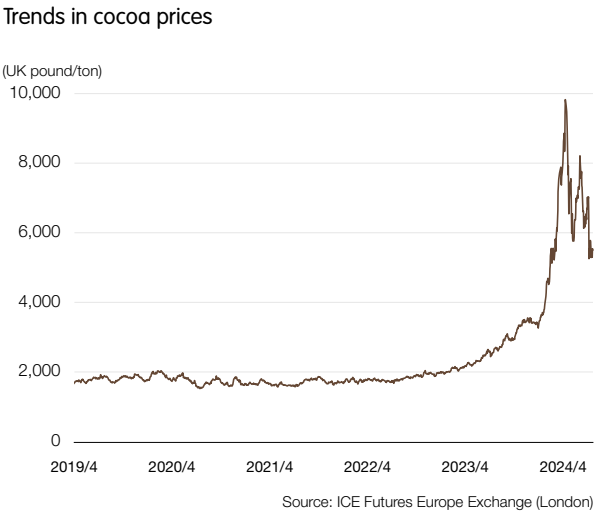
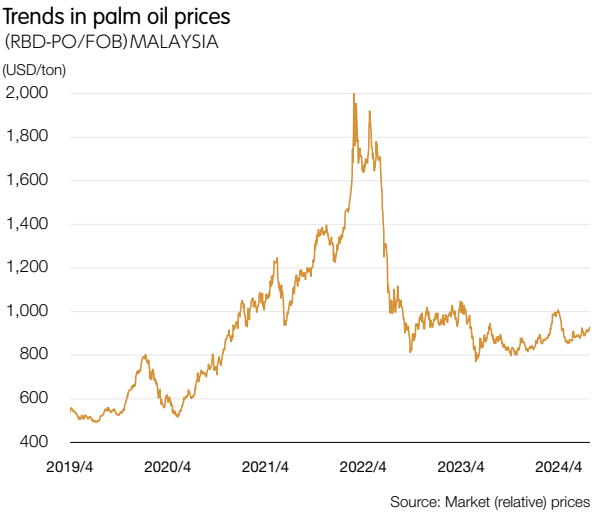
Promoting business-axis management

In 2015, we adopted a structure of area-specific business management. In addition to this structure, we are strengthening our business-axis management. This will enable us to respond to the changes facing our business environment in recent years by practicing business management from the perspective of each business: Vegetable Oils and Fats, Industrial Chocolate, Emulsification and Fermentation Ingredients, and Soy-based Ingredients. Through this approach, the management of each business is overseen by each operating company as before. Additionally, working under the CSO, each division also shares responsibility for profits for the entire business. Working together with each operating company, we strive to improve capital efficiency from a shared perspective that is based on the FUJI ROIC. This also supports management by ensuring the optimal allocation of management resources and the formulation and implementation of appropriate measures.



Risk management related to raw material procurement and market price fluctuations

Due to increasing uncertainty in the business environment, the prices of the Group's main raw materials are fluctuating significantly. Fluctuations in raw material prices have a significant impact on the performance of each group company. In response, since FY2022, we have strengthened the rules for the position management of major raw materials as part of our governance and risk management for each Group company. We hold regular meetings between the procurement staff of the main Group companies and relevant departments at the Group headquarters. In addition to monitoring compliance to operating rules, we also monitor the status of raw material procurement based on market trends. To address the recent rise in the price of cocoa raw materials facing the Industrial Chocolate business, we are securing and maintaining a stable supply through long-term contracts that ensure stable supply and possession of physical raw materials. In response to slumps in demand due to price increases, we will stimulate customer demand by providing a variety of products centered on compound chocolate, an area in which our Group has a competitive advantage.



Business Overview



Vegetable Oils and Fats Business

Core Product Line

- Edible oils and fats
- Oils and fats for food processing
- Vegetable fats for chocolate

Main Applications

- Chocolate
- Margarine
- Infant formula
- Instant noodles
- Snacks
- Ice cream

Main Raw Materials

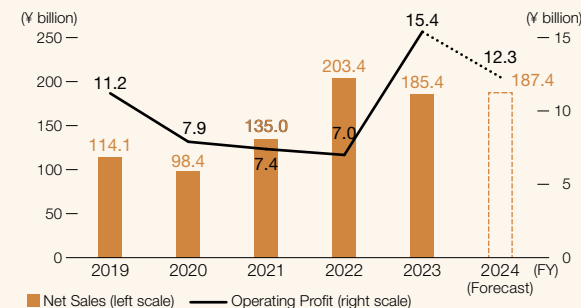
- Palm oil
- Shea butter
- Sunflower oil
- Coconut oil
- Palm kernel oil

Results and Forecast by Area

(¥ billion)

	FY2023		FY2024 Forecast	
	Net Sales	Operating Profit	Net Sales	Operating Profit
Japan	57.0	5.8	59.0	4.9
Americas	63.0	4.3	60.9	2.8
Southeast Asia	26.5	2.1	26.0	2.5
China	3.3	0.0	3.6	(0.0)
Europe	35.5	3.1	37.9	2.0
Total	185.4	15.4	187.4	12.3

Net Sales / Operating Profit



FY2023 Business Situation

Net Sales

¥185.4 billion (down ¥18.1 billion yoy)

Net sales decreased due to declined sales prices to reflect stable prices for palm oil, our main raw material, and lower sales by the transfer of fixed assets of Fuji Oil New Orleans.

Operating Profit

¥15.4 billion (up ¥8.4 billion yoy)

Operating profit increased thanks to improved profitability to reflect stable raw material prices in Japan, the Americas, and Europe, and the transfer of fixed assets of Fuji Oil New Orleans, which recorded operating losses in the previous fiscal year.



Industrial Chocolate Business

Core Product Line

- Pure chocolate
- Compound coating chocolate
- Chocolate for ice cream coating
- Molded chocolate

Main Applications

- All products using chocolate
- Chocolate confectioneries, Western-style confectioneries, Sweet baked goods, ice cream

Main Raw Materials

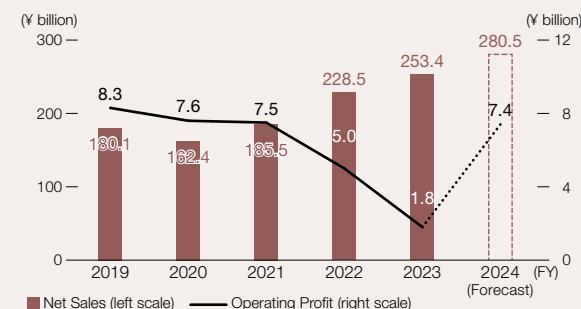
- Cocoa
- Sugar
- Vegetable fats for chocolate

Results and Forecast by Area

(¥ billion)

	FY2023		FY2024 Forecast	
	Net Sales	Operating Profit	Net Sales	Operating Profit
Japan	46.3	6.3	49.4	5.4
Americas	170.2	(6.7)	185.0	0.1
Southeast Asia	19.6	1.3	26.6	1.5
China	7.9	0.2	9.4	0.0
Europe	9.5	0.7	10.1	0.4
Total	253.4	1.8	280.5	7.4

Net Sales / Operating Profit



FY2023 Business Situation

Net Sales

¥253.4 billion (up ¥24.9 billion yoy)

Net sales increased thanks to higher sales prices to reflect higher raw material prices, increased sales volume in Brazil and Europe, and the effect of yen depreciation.

Operating Profit

¥1.8 billion (down ¥3.1 billion yoy)

Operating profit decreased due to lower sales volume against stagnant demand in the confectionery market and worsening of profitability caused by soaring raw material prices and increased fixed cost in the U.S., despite increases in sales volume in Brazil and Europe.

* Due to a change in the accounting periods of 19 consolidated companies outside of Japan, fiscal 2019 figures reflect the results for these subsidiaries for the 15-month period from January 1, 2019 to March 31, 2020.
Due to changes in the accounting periods of subsidiaries INDUSTRIAL FOOD SERVICES PTY, LIMITED and Blommer Chocolate Manufacturing (Shanghai) Co., Ltd., fiscal 2022 is the 15-month period ended March 31, 2023 and the 14-month period ended March 31, 2023, respectively.



Emulsified and Fermented Ingredients Business

Core Product Line

- Whipping cream
- Cheese flavor ingredients
- Margarine
- Preparations
- Fillings

Main Applications

- Western-style confectioneries
- Beverages
- Bread
- Products for cooking applications

Main Raw Materials

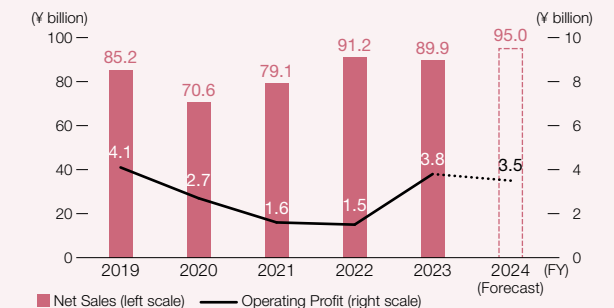
- Vegetable Oils and Fats
- Dairy ingredients
- Sugar

Results and Forecast by Area

(¥ billion)

	FY2023		FY2024 Forecast	
	Net Sales	Operating Profit	Net Sales	Operating Profit
Japan	59.0	3.5	59.7	2.8
Southeast Asia	14.4	(0.3)	14.9	0.0
China	16.4	0.6	20.4	0.7
Total	89.9	3.8	95.0	3.5

Net Sales / Operating Profit



FY2023 Business Situation

Net Sales

¥89.9 billion (down ¥1.3 billion yoy)

Net sales decreased due to lower sales volume and declined sales prices to reflect falling raw material prices in Southeast Asia and China

Operating Profit

¥3.8 billion (up ¥2.3 billion yoy)

Operating profit increased thanks to higher sales volume of whipping cream in Japan and improved profitability in China.



Soy-Based Ingredients Business

Core Product Line

- Soy protein ingredients (granulated soy protein, textured soy protein)
- Soy protein foods
- Functional ingredient (soluble soy polysaccharides, peptides)

Main Applications

- Ham and sausages
- Ingredients for food service and school lunches
- Frozen food and prepared foods
- Protein and health foods
- Beverages
- Instant noodles

Main Raw Materials

- Soybeans

Results and Forecast by Area

(¥ billion)

	FY2023		FY2024 Forecast	
	Net Sales	Operating Profit	Net Sales	Operating Profit
Japan	34.7	1.6	36.0	1.6
China	0.8	0.3	0.9	0.4
Europe	0.0	(0.9)	0.2	(0.7)
Total	35.5	1.0	37.1	1.4

Net Sales / Operating Profit



FY2023 Business Situation

Net Sales

¥35.5 billion (up ¥1.2 billion yoy)

Net sales increased thanks to higher sales prices to reflect higher raw material prices due to the effect of yen depreciation

Operating Profit

¥1.0 billion (down ¥0.2 billion yoy)

Operating profit decreased due to increased depreciation cost for a new plant in Europe.

* In fiscal 2021, certain products included in the Soy-Based Ingredients Business were reclassified to the Emulsified and Fermented Ingredients Business. The figure for fiscal 2020 is shown for reference purposes only.

Vegetable Oils and Fats Business

The Vegetable Oils and Fats business takes a sustainable approach to procuring a wide range of oil and fat raw materials. This includes palm oil, palm kernel oil, and coconut oil from Southeast Asia, sunflower oil, rapeseed oil, soybean oil, and rice oil from Europe and the Americas, and shea butter from West Africa. The business also manufactures reliable, safe and distinctive oil and fat products using proprietary refining and processing technology. The business not only supply these products to food companies, but also to the Group's own Industrial Chocolate business and Emulsified and Fermented Ingredients business. We position Vegetable Oils and Fats as the foundation of our technology and business.

Strategy Direction Expanding sustainable supply chain

We will apply the approach of building a traceable and sustainable supply chain cultivated through our procurement of palm oil and palm kernel oil to the procurement of other oils and fats. We aim to build a supply chain that achieves accountability for the environment, human rights, and biodiversity by introducing cutting-edge technology, engaging in tree-planting activities, and pursuing efficiency in processing.

FY2023 Results	FY2024 Key Points
<ul style="list-style-type: none">Improved profitability by strengthening cost controlIncreased revenues by selling at appropriate pricesExpanded raw material supply chain in anticipation of increasing demand for traceable raw materials	<ul style="list-style-type: none">Build a Group supply structure and expand sales of vegetable fats for chocolate, which are expected to see increased demandStabilize production through emphasis on production equipment maintenanceRespond to environment and human rights due diligence in Europe

Social Issues and Needs	Risks and Opportunities
<ul style="list-style-type: none">Procurement that achieves environment, human rights, and biodiversity accountabilityInitiatives for carbon neutralityIncreased health consciousness	<ul style="list-style-type: none">Risks associated with the EU's mandatory environment and human rights due diligence: Position this as an opportunity to differentiate ourselves and promote enhancements to the Group's sustainable supply chainRisk of a contracting chocolate market due to rising prices and shortages of cocoa-related products attributable to reduced production in major production areas in West Africa: Position this as an opportunity to expand sales of vegetable fats for chocolate (CBE)
Competitive Advantages	Issues
<ul style="list-style-type: none">Certified palm oil supply structure Build a group network for supplying sustainable oil and fat raw materials produced by group companies in Southeast Asia to our Group manufacturing sites in various areas around the worldVegetable fats for chocolate (CBE) We maintain a global Top 3 share. We are able to supply products based on multiple manufacturing methods and raw materials, and we have strengths in terms of cost and stable supply	<ul style="list-style-type: none">Increasing material and capital expenditure costsRise in raw material and logistics costs due to geopolitical risks such as the ongoing Russia-Ukraine conflict and deterioration of conditions in the Middle East

Share	Segment Assets	Net Sales
● Vegetable Fats for Chocolate (CBE) World's top 3	¥127.6 billion	¥185.4 billion
Annual Production Volume	Number of Employees	Operating Profit
Approx. 900,000 tons	977	¥15.4 billion
Operating Base	R&D Expenses	FUJI ROIC
* Consolidated subsidiaries as of March 31, 2024 7 countries, 16 companies	¥0.9 billion	11.5%
	Capital Expenditures	
	¥3.9 billion	

* FY2023 results

High-added-value through distinctive raw materials

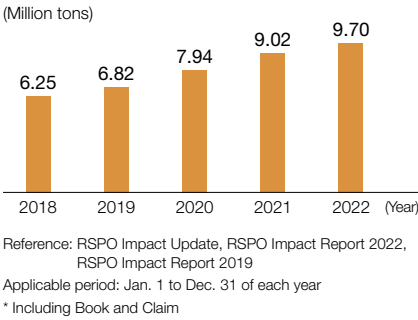
Decision to establish joint venture with Johor Plantations Group Berhad (JPG)

In January 2024, our group decided to establish a joint venture with Johor Plantations Group Berhad (JPG), a palm oil and palm kernel manufacturing company in Malaysia. We will secure high-quality, traceable, and sustainable raw material palm oil through JPG's well-managed plantations, and manufacture and sell high-value-added palm oil products. While focusing on sales to the European market, we will also respond to increasing demand in other regions as we work to resolve global food and health issues and contribute to society.

Controlling trace elements

Demand for oils and fats with controlled trace amounts is increasing, especially in Europe. Trace elements in oils and fats are unintentionally related to various processes, from the harvesting and transportation of raw materials to the oil extraction, processing, and refining at plants. Our Group views the control of trace elements as a strategy for differentiation. We promote alliance strategies with oil and fat raw materials suppliers, strive to secure high-quality raw materials, and constantly adopt the optimal manufacturing technology and equipment. We have established a structure that allows us to stably supply sustainable, high-quality products. These efforts have already contributed to improved profitability in Asia and Europe, and we will continue to implement these initiatives moving forward.

Sales volume of RSPO-certified palm oil worldwide



Striving to be environmentally and people friendly

Fuji Oil's oil and fat plants in Asia are charged with the mission of supplying palm oil and fats to all areas of the world, both to the Group and external sales. Traceable and sustainable vegetable oils and fats that are kind to the earth and people are a point of differentiation, not only in terms of being certified products, but also in terms of quality. As a result, these products are increasingly being recognized externally for their added value. We also believe that stably securing these materials, and processing and providing them based on customer needs will contribute to the value of customer products.

We will continue to strengthen our quality control system as we strive to contribute to society and promote business growth. This includes pursuing collaborations with palm plantations and ensuring that we meet increasingly strict quality standards by upgrading the analytical instruments used in our production sites.

Message



Kunihiko Ogata
Managing Director of
FUJI OIL ASIA PTE. LTD

Direction of North American Oils and Fats Business

New value creation through Group synergy

Markets have finally settled after the turbulence caused by the sharp rise in oil and fat raw material prices in 2021, and the sharp fall the following year. As a result, the North American Oils and Fats business recorded favorable results in 2023. However, the oil and fat market in North America saw major refining companies expand production capacity as competition in the commodities market is expected to intensify.

Fuji Vegetable Oil will work to expand its market share by leveraging its technological and product strengths in vegetable fats for chocolate and high value-added oils. The company will also seek to take advantage of the premium oil sales network and diverse procurement capabilities of Oil Seeds International, which joined the Group in 2022. We will strengthen collaborations while working to create new added value, including procuring raw materials from Group companies in Asia and collaborating on product development with Blommer. We will strengthen vertical collaborations within the Group in a way that is unique to the Fuji Oil Group.

Message



Hitoshi Shindachi
President of FUJI
SPECIALTIES, INC.
President of Fuji Oil
International Inc.



Industrial Chocolate Business

We manufacture and sell a variety of chocolates for industrial use, including for confectionery, bakery, and frozen desserts. In addition to product development that incorporates the latent market needs in each country, we also work to strengthen the Group's overall industrial chocolate product development and supply capabilities by enhancing sustainable cocoa procurement and utilizing our own technology related to vegetable fats for chocolate.

Strategy Direction Development of compound chocolate that incorporates oil and fat technology

Industrial chocolate by the Fuji Oil Group requires quality and design that suits the customer use cases and concepts. By combining our wide variety of capabilities related to oils and fats, we will provide compound chocolate products that meet the diversifying needs of our customers on a global level. Furthermore, since COVID-19, consumer health awareness has increased, as has demand for health-oriented products such as low-sugar chocolate and protein-enriched chocolate. These markets are expected to see continued growth, and we will pursue product development that anticipates market needs.

FY2023 Results	FY2024 Key Points
<ul style="list-style-type: none">Sales volume increased due to manufacturing equipment upgrades and increasing production in markets with higher demandIn Japan, inbound demand is recovering and convenience store demand is favorableBlommer profitability decreased due to a decline in sales volume attributable to sluggish market conditions, soaring raw material prices, and rising interest rates	<ul style="list-style-type: none">Steadily implement efforts to build a stable supply structure for BlommerRevise sales price in response to soaring cocoa pricesDevelop compound chocolate using fat and oil technology for chocolateStable procurement of raw materials

Social Issues and Needs	Risks and Opportunities
<ul style="list-style-type: none">Increased awareness of human rights, the environment, and biodiversity among workers in cocoa bean producer regionsIncreasing demand for ethical products focused on health and sustainability (low sugar, protein content, plant-based products, etc.)	<ul style="list-style-type: none">In response to price fluctuation risks and procurement risks for cocoa, vegetable oils and fats, etc.: Create sales opportunities for compound chocolateFurther increases in labor costs, transportation costs, and energy costsProducer nations and importing countries moving to introduce policies related to cocoa sustainability
Competitive Advantages	Issues
<ul style="list-style-type: none">Business synergy within the group Product development based on a fusion of Group internal businesses, technology, and ingredients for product differentiation by increasing added value. For example, using vegetable fats for chocolate to add functionality.Customer relationships and service We respond to diversifying customer needs and gain customer trust by developing products closely tied to the market, proposing applications that take advantage of product characteristics, and utilizing Group know-how in production processing technology and production management.	<ul style="list-style-type: none">Appropriate price revisions in response to issues such as sudden rises in cocoa prices and foreign exchange risks.Market penetration for sustainable cocoaImproving recognition on global markets

Share	Segment Assets	Net Sales
<ul style="list-style-type: none">Industrial Chocolate No. 3 worldwide, No. 1 in Japan	¥212.9 billion	¥253.4 billion
Annual Production Volume	Number of Employees	Operating Profit
Approx. 400,000 tons	2,670	¥1.8 billion
Operating Base	R&D Expenses	FUJI ROIC
8 countries, 11 companies <small>* Consolidated subsidiaries as of March 31, 2024</small>	¥1.3 billion	2.5%
Capital Expenditures		
¥6.7 billion		

* FY2023 results

Capital expenditures to capture demand and shift to high-added-value

HARALD INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA (Brazil)

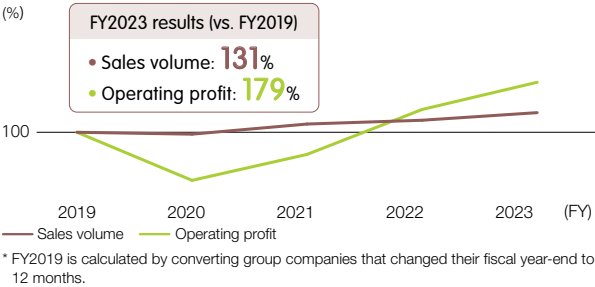
With operations at the new plant launched in April 2023 going smoothly and the establishment of a production system that can meet the needs of customers and the market, Harald achieved its highest sales volume in FY2023 since joining the Fuji Oil Group in 2015. In response to the sharp rise in cocoa prices, we will improve our product mix and sales channel mix, and work to further improve and strengthen our production system to capture market demand, which is expected to grow. We will improve profitability by leveraging Group technology and knowledge to develop new products with strong competitive superiority and provide them to the Brazilian market.

We will also utilize the application center opened in the new plant as a place for co-creation with customers. This will create new value by accelerating the development of new products that respond to customer needs and promoting market growth.



Harald Application Center

Sales volume/Operating profit
Industrial Chocolate Business in Brazil, Southeast Asia
(FY2019 = 100%)



Increase differentiating products

Consumer demand for ethical products is increasing, and Better-For-You (BFY) products, which contribute to health and sustainability, are increasingly garnering attention. The Fuji Oil Group aims to become the No. 1 manufacturer for the global BFY market. The Group is working as one to expand our lineup of distinctive products, including low-sugar products and high-protein chocolate products.

In Japan, we are developing the market for plant-based, animal product-free chocolate using ingredients that are in compliance with Sustainable Origins, our proprietary program for supporting sustainability. We will continue efforts to contribute to the health of people and the earth.

New Business Fields ▶ P82 Blommer boasts the top market share in the US for sugar-free and low-sugar chocolates. These products are highly marketable for their health appeal and the use of substitute sugar blending technology. We have developed the Discovery Series,* which has a natural taste despite boasting a low sugar content. The adoption of this product in markets such as frozen desserts, bakery products, and nutrition bars is increasing steadily.



Better-For-You Products



Emulsified and Fermented Ingredients Business

Our Emulsified and Fermented Ingredients business is based on our proprietary emulsification and fermentation technology. In addition to compound products that use a combination of vegetable oil and dairy ingredients (whipping cream, margarine, fillings, cheese flavor ingredients, etc.), we have also launched to market plant-based products that do not use dairy ingredients. This business manufactures and sells functional and delicious confectionery and bakery ingredients to markets in Japan, Southeast Asia, and China. The business also exports various prepared products from Asia to the Japanese market.

Strategy Direction Strengthening the overseas cream business

Aiming to increase operating rates for the cream plant in China, for which we launched operations in August 2023, we will improve the skills of sales staff in China, develop a product lineup that meets customer needs, and introduce new products that differentiate us from our competitors. We will also advance measures such as introducing new products and making comprehensive proposals that are linked to product groups. We will also conduct marketing campaigns throughout Asian markets in collaboration with Group companies in Southeast Asia, which boasts high operating rates, to strengthen complementary relationships between Asia and China.

FY2023 Results	FY2024 Key Points
<ul style="list-style-type: none">Increased revenue through price revisions and higher sales volume to restaurants and convenience stores (Japan)Profit recovered on improved profitability of confectionery and bakery products to Asian countries (Southeast Asia)Launched operations at cream plant (China)	<ul style="list-style-type: none">Launch products using new technology (Japan)Recover sales volume by improving production structure, launching new products, and implementing pricing strategy (Southeast Asia)Expand the cream business and expand sales of key products based on market and customer strategies (China)

Social Issues and Needs	Risks and Opportunities
<ul style="list-style-type: none">Efforts to improve efficiency, save labor, and reduce workloads to address labor shortages and rising labor costsDeclining birthrates and population aging in developed countriesIncreased awareness of food loss issues and reduction efforts	<ul style="list-style-type: none">To address fluctuations in raw material import costs due to exchange rate fluctuations, we will meet demand by proposing compound products (cream, cheese, etc.) (increased opportunities for selling compound products due to higher prices of overseas dairy products, etc.)In response to concerns about the prolonged economic downturn in China, adopt differentiation strategies using proposal-based sales and customer-oriented productsDecrease in sales volume due to changes in quantity needs from customers
Competitive Advantages	Issues
<ul style="list-style-type: none">Product lineup featuring originality Use unique raw materials and technology to differentiate ourselves by developing products with added functionalityExporting Japan Quality to overseas markets Export confectionery and bakery materials developed and sold in Japan to overseas markets through Group companies	<ul style="list-style-type: none">Differentiation and pricing strategy for cream products in ChinaRestructuring sales structure in China and Southeast Asia

Share	Segment Assets	Net Sales
• Fillings		
No. 1 in China	¥59.1 billion	¥89.9 billion
Annual Production Volume	Number of Employees	Operating Profit
Approx. 220,000 tons	1,161	¥3.8 billion
Operating Base	R&D Expenses	FUJI ROIC
* Consolidated subsidiaries as of March 31, 2024 4 countries, 9 companies	¥1.0 billion	5.5%
	Capital Expenditures	
	¥2.6 billion	

* FY2023 results

Manufacturing aligned with trends

Manufacturing aimed at providing deliciousness and resolving social issues

While ascertaining trends that change on a yearly basis, we strive to manufacture products that leverage the technological capabilities our Group has cultivated over the years to provide distinctive products. We pursue growth by capturing demand with a focus not only delicious foods, but also on proposals that can help customers resolve social issues such as labor shortages.

Custard focused on handmade deliciousness

Custard is an indispensable ingredient for confectionery and bakery industry, but it requires skill to make and quality can be difficult to stabilize. Also, due to recent labor shortages, there are widespread complaints about a lack of the manpower needed to prepare custard. Flowmarish®, which we launched in FY2023, uses a new manufacturing method that recreates the flavor and texture of hand-cooked custard; offering the light texture and looseness of hand-cooked custard with the deliciousness of eggs and milk. We have received much praise from customers who have struggled with the production of hand-cooked custard and view Flowmarish as a product that can help resolve their labor shortages and other issues.



Hand-cooked custard filling Flowmarish®

Initiatives in China

New challenges in major markets to drive dynamic change

In China, the market environment worsened in FY2023 due to the effects of a zero-COVID policy that continued for more than three years and a real estate market recession. These factors triggered more frugal purchasing trends as consumers focused on quality and price. At the same time, high-quality Chinese products are attracting attention in confectionery and bakery markets due to a cultural trend called Guochiao*, which combines traditional Chinese culture with modern culture. Amid such circumstances, we launched operations at a cream production plant in Guangdong Province in August 2023. This added cream to the confectionery and bakery ingredients we offer, better positioning our Group to pursue customer satisfaction in China. In FY2024, we will transform our organizational structure to one that can quickly respond to changes, actively promote comprehensive and high-value-added proposals, including application development, and create new initiatives aimed at the challenge of exporting “Japanese Quality” into the massive Chinese market.



We are proposing applications for Western-style confectionery and bakery products, and we are seeing increased adoption, including the launch of sales of egg tarts containing cream.



Whipping cream from the new plant in China

Message

Embracing the motto of Speed and Innovation!

The prioritization of the nationalism over privatization following the pandemic brought an end to the era of mass consumption, during which companies could sell what they made, and thrust China into a new phase. Amid such change, the country also saw consumer upgrades and rapid changes in trends. To respond to these diverse values, in FY2024 we will actively promote initiatives to improve customer value. We will be reborn as an organization that focuses on human resource development to create customer value and provides services tailored to market and regional characteristics. We aim to create a culture where employees can take on challenges without fear of failure, and an organizational foundation that promotes growth in a fun and rewarding manner. Embracing the slogan of speed and innovation, we will work together with many of our colleagues to take on challenges as one unit.



Koji Kemmochi
President of FUJI OIL (CHINA) INVESTMENT CO., LTD.

Soy-Based Ingredients Business

In response to various food-related social issues and consumer demands, we develop and propose products focused on the deliciousness, nutrition, health, and functionality of soybean, and develop a wide range of products ranging from ingredients to foods. As a pioneer in soybean ingredients, we will continue to contribute to the health of the earth and people.

Strategy Direction

A problem-solving business that takes advantage of the deliciousness and nutrition of soybeans

In Japan, where for many years we have maintained a top share in plant-based products that utilize the nutritional and functional properties of soybeans (powdered soy protein, granular soy protein, soy polysaccharides, soy peptides, etc.), we will further expand our ability to provide timely responses to customer needs. Through the fusion of soy proteins, vegetable oils and fats, and emulsification and fermentation technology, we deliver surprising deliciousness using plant-based ingredients. We offer satisfying deliciousness, even with plant-based ingredients.

FY2023 Results	FY2024 Key Points
<ul style="list-style-type: none">Expanded sales by launching new soy protein ingredients (powder and granules)Restructuring of the soy protein food business progressed as plannedThe soybean polysaccharide business is performing well due to strong sales of beverages adopting this product.Expanded sales of plant-based dashi (MIRA-Dashi®)	<ul style="list-style-type: none">Increase sales by introducing new products for soy protein materials (powder and granules)Steadily implement restructuring of soy protein food businessStrengthen overseas salesPromote sales growth for plant-based dashi (MIRA-Dashi®)

Social Issues and Needs	Risks and Opportunities
<ul style="list-style-type: none">Concerns about global protein shortageContinuously increasing health demandGrowth of the international plant-based food market	<ul style="list-style-type: none">Current growth slowdown in Japan's plant-based food marketDeveloping the overseas plant-based food market using food tech originating from JapanBuilding a competitive advantage by expanding sustainable procurement
Competitive Advantages	Issues
<ul style="list-style-type: none">Competitiveness through the accumulation and fusion of technology We have many years of knowledge and technology regarding soybeans, and have the ability to create new food ingredients and strong competitiveness by combining the emulsification of oils and fats with fermentation technology.Build a broad customer base By developing a wide range of products in conjunction with other businesses, we have built a broad customer base and trust-based relationships in various markets in the food industry. Our accumulated know-how allows us to propose products for a variety of applications and markets.	<ul style="list-style-type: none">Decrease in profitability of commodity products and delay in sales growth for high value-added productsSustainable raw material procurement

Share <ul style="list-style-type: none">Soy protein ingredients No. 1 in JapanSoluble soy polysaccharides No. 1 worldwide	Segment Assets ¥45.2 billion	Net Sales ¥35.5 billion
Operating Base 4 countries, 8 companies <small>* Consolidated subsidiaries as of March 31, 2024</small>	Number of Employees 456	Operating Profit ¥1.0 billion
R&D Expenses ¥1.2 billion	FUJI ROIC 1.1%	
Capital Expenditures ¥1.8 billion		

* FY2023 results

Strengthening development of high-value-added products


Developing plant-based products with deliciousness as a prerequisite

Looking ahead to the future of food, the transition from animal-based foods to plant-based sources is sure to progress moving forward. The expansion of our Group's business involving plant-based sources for fats and proteins, two of the three major nutrients, is a major strength for our group. Soybeans are a nutritious food that readily contain high quantities of protein and fats. Soybeans are also relatively easy to grow and are produced in large quantities around the world, making them indispensable for the diet of the future. In addition to the knowledge of soybeans we have accumulated over many years and for which we have made various innovations, we will respond to the challenges facing our customers and society by developing and proposing delicious products in a timely manner that combine various technology, including vegetable oils and fats and emulsification and fermentation.

Contributing to diverse consumption scenes with the ability to solve problems in a timely manner

Soy protein is valued for improving flavor, nutrition, and health, and is used as a raw material for a variety of processed foods, health foods, and beverages. Protein has become more familiar to consumers in the form of powders and chilled drinks, but there are issues with dispersibility and ease of consumption. We focus on this issue and contribute to resolving it by providing customers with products that improve on these issues. The lack of human resources is also a major issue for food manufacturing companies. Many food manufacturers are looking to resolve this problem by simplifying their manufacturing processes without sacrificing taste. We will continue working to support our customers and society by developing and proposing new products that help resolve problems.

Message



Kiyohito Suzuki
Division Head of PBF (Plant-Based Food) Division
Soy Business Division of FUJI OIL CO., LTD.

Improving our business structure

Transfer of non-core businesses	Japan: 4 sites FY2017: Soy protein ingredients/soy protein foods FY2023: Soy protein foods FY2024: Soy protein foods China: 4 sites FY2018: Powdered soy protein ingredients FY2019: Soy protein foods (2 sites) FY2021: Soy protein foods
Growth investments	FY2018/2019: Japan/China: Increased polysaccharide production capacity FY2019: Europe: Started construction of new plant in Germany FY2020: Japan: Launched operations at new Chiba plant

Promoting Growth

Shipments of granular soy protein, including soy meat, increased year on year thanks to the full-scale resumption of economic activities. An increase in inbound demand and the expansion of applications beyond meat processing, including snacks and cereals, also contributed. Prime Soy Meat received the Grand Prize in the 2022 Nikkei Excellent Products and Services Awards. The adoption is progressing, including increased adoption in the dining industry. Moving forward, we will add new approaches, including conducting marketing activities through the Plant Based Lifestyle Lab and establishing new approaches such as e-commerce sales through cotta tomorrow, which is operated by our venture business cotta Co., Ltd. Additionally, we are supporting the growth of the soybean meat market by upgrading supply capabilities through our Chiba factory, which began operating in 2020.

New Business Fields

As social conditions change dramatically, it is necessary to transform business models and portfolios. To achieve a sustainable future for food, we will create new value and challenge ourselves to creating next-generation businesses that can achieve high growth and profits. In FY2022, we announced GOODNOON, the flagship that will lead our challenges in new business fields. Pursuing the potential of plant-based materials, in addition to establishing new technology, we will also transform our sales approaches and information dissemination methods. We will also improve the added value of our existing product lineup and aim to shift to a highly profitable business portfolio.

Our Image of New Business Fields in 2030

New business fields in 2030
Net Sales ¥100.0 billion
Operating Profit ¥10.0 billion or more

Points of Expansion

- New technology
- New sales methods
- Groupwide activities and new market development
- Information transmission

Promote GOODNOON Actions to Realize Our Vision

Concept

The Fuji Oil Group's "delicious and easy-to-understand" plant-based food (PBF) sets the standard for a new era through focusing on the health of people and the earth, increasing options, and creating a world where all people can truly enjoy healthy and delicious food.

The technology, the culture of challenge, and new business cycles created through GOODNOON activities focused on plant-based resources will promote the creation of value in existing and new business fields.

Expansion into new business fields

In FY2023, we made progress by expanding sales of soy milk cream butter (Soilebeur), which combines our proprietary soybean processing and fat and oil technologies. We also launched vegetable soup stock products using MIRACORE® technology and launched cotta tomorrow as a new e-commerce sales channel. To expand into new business fields, we will promote product development and sales expansion for GOODNOON with a focus on the deliciousness of plant-based foods.

Soy Lait Beurre

A vegetable butter-like material with over 60% soybean-derived ingredients. While maintaining the deep richness of soybeans, it has an overwhelming melt-in-your-mouth texture and a light, refreshing aftertaste that brings out the flavor of the ingredients paired with it. This product significantly reduces cholesterol compared to butter.

Prime Soy Meat

This product uses our Prime Texture manufacturing method, a new manufacturing method that applies the soybean and oil processing technology cultivated by the Fuji Oil Group. This product achieves both a meat-like chew and a melt-in-your-mouth texture, which until now was considered difficult.

MIRA-Dashi®

This is a plant-based flavor ingredient (dashi) created using MIRACORE®, a technology that provides the satisfaction typical of animal products without relying on animal ingredients. It is now possible to develop new menus that can be delivered to a wide range of customers while also contributing to addressing labor shortages by enabling easy preparation.

Plant-based Chocolate

Due to environmental issues and the diversification of values, society has an increasing need for alternatives to animal-based foods. We have developed chocolate that is surprisingly milky even though it contains no animal milk ingredients. The raw materials we use are also in compliance with Sustainable Origin, our Group's proprietary sustainability support program.

Establishment of a New Business Cycle

Under the Reborn 2024 mid-term management plan, we began strengthening our efforts in Japan to establish a new business cycle and thereby create a framework to nurture highly profitable businesses.

Develop products that anticipate consumer needs

GOODNOON Actions

- Interactive communication from the consumer's perspective
- Co-creation with hotel, food service, and takeout customers
- Sales through e-commerce
- Speeding up of product development through Proof of Concept
- Creation of the PBF market by creating "surprisingly delicious foods" using only plant-based products

Five Requirements of GOODNOON Products

1. Health of people and community
2. Innovation
3. Solutions to social issues
4. Easy to understand
5. Surprisingly delicious

Industry-Government-Academia-Private Collaboration for Market Creation

Plant Based Lifestyle Lab (P-Lab), a general incorporated association, was established in 2021 to promote and educate people about adopting a plant-based food (PBF) lifestyle and to realize a sustainable society through the use of PBF products (Representative Director: Pasona Group Inc.; Directors: Kagome Co., Ltd. and FUJI OIL HOLDINGS INC.; Auditor: Pasco Shikishima Corporation). As of July 2024, 54 companies were members of this association. Together, they are promoting efforts through industry-government-academia-private collaboration, including food manufacturers, food service companies, community website operators, trading companies, relevant ministries such as the Ministry of Agriculture, Forestry and Fisheries and the Consumer Affairs Agency, and academia, to expand the use of PBF and create markets for such foods.

Co-creation with restaurants

Through our co-creation with restaurants in Japan and overseas, there are an increasing number of places where customers can enjoy menus that incorporate MIRA-Dashi®, a GOODNOON product.

Launched sales of Koyasan Noodles

In November 2023, in response to increasing inbound demand and health consciousness, Kadohama Sohonpo Co., Ltd. released three Koyasan noodles using MIRA-Dashi®. This is a vegetable-based, gluten-free noodle developed through a collaboration of four companies: Kadohama, Ryuhokushin Co., Ltd., a salt ramen specialty store, Nankai Electric Railway Co., Ltd., and GOODNOON. The satisfying noodles, which use the company's original sesame paste in the soup, provide a delicious taste unique to Mt. Koya not only to inbound customers, but to a wide range of visitors, including children.

Development of vegan Japanese food in Singapore

Since 2023, Veg-An, a restaurant in Singapore that offers Japanese home-cooked meals combining plant-based and vegan styles, offers menu selections that utilize MIRA-Dashi®. Veg-An's menu has expanded with the use of MIRA-Dashi®C400 (a bonito-style seafood soup stock). The restaurant is constantly releasing new menu items that allow vegans and vegetarians in Singapore to enjoy a wide variety of Japanese flavors.

Distributing information via our website

The MIRACORE® brand website and MIRA-Dashi® product website were launched in April 2024. In addition to disseminating information on the characteristics of our products and technology, we will actively provide examples of co-creation with outside parties.